and a detailed statement will be made, today itself, on the floor of the House ....*(Interruptions)*....

SHRI RAJ NATH SINGH: Why not

यदि कोर्ट का जजमेंट आ जाता है तो उसके बाद क्या कार्रवाई करेंगे?...(व्यवधान)....

MR. CHAIRMAN: I think we can proceed now to the Question Hour. The Prime Minister has already reacted. Question Number 401.

ORAL ANSWERS TO QUESTIONS

Additional Power from Central pool for Gujarat

*401. SHRI GOPALSINH G. SOLANKI: Will the PRIME MINISTER be pleased to state:

(a) whether the Gujarat Government has drawn the Central Government's attention to the acute power shortage being faced by the State and resultant power cuts causing serious difficulties to the people and has demanded immediate steps to arrange additional allocation from the Central Pool; and

(b) if so, the details of the proposals made by the the State Government and Government's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF POWER AND MINISTER OF STATE IN THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES (DR. S. VENUGOPALACHARI) (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) and (b) Yes, Sir. In April, 1996, a request was received from the Gujarat Electricity Board that the entire quantum of 97 MW of unallocated power available with the Central Government from the NTPC Gas based Power Station at Kawas may be allocated to Gujarat. This request was made in the context of the power shortage. The Kawas Power Station has an installed capacity of 645 MW and Gujarat has been allotted 184 MW from this station. Having regard to the fact that the unallocated power with the Central Government has to be shared with other Constituent States/UTs in the Western region, it has not been possible to accede to the request of the Government of Gujarat for allocating the entire quantum of 97 MW available with the Central Government from Kawas Power Station to it as other States in the Western region were also experiencing power shortage.

SHRI GOPALSINH G. SOLANKI: Sir, the answer given by the hon. Minister is quite dejecting and I am not quoting the whole answer but I am referring to their inability. The statement says: 'Having regard to the fact that the unallocated power with the Central Government has to be shared with other constituent States/Union Territories in the Western region, it has not been possible to accede to the request of the Government of Gujarat for allocating the entire quantum of 97 MW available with the Central Government from Kawas Power Station to it as other States in the Western region were also experiencing power shortage.

So far as Gujarat State is concerned, mainly we have thermal power production sources, and there are four general generating stations. One is at Wanakbori, one at Gandhi Nagar, one at Ukai and one at Sikka. But these thermal power stations are not provided with sufficient coal: there is always a 20 per cent shortage. The quantum of coal is decided by the Linkage Committee—the Coal Committee—and the quality of coal also is not proper. Therefore, we are having a crisis there. The second thing is, there is an outstanding proposal, right from the plan stage of the Sardar Sarovar Project...

MR. CHAIRMAN: Please made your point now—ask the question.

SHRI GOPALSINH G. SOLANKI:...and the letter of credit which has to be granted for importing power generation equipment from Japan has not yet been granted and is being delayed. The third thing is, the Government of Gujarat has requested for naphtha for liquid power generation, which has not been granted. It can produce about 1,200 megawatts more.

MR. CHAIRMAN: Are you making a statement on behalf of the Minister or what? Please put the questoin.

SHRI GOPALSINH G. SOLANKI: Therefore, Sir, we are having four sources. The fourth one is the Pipawal Gas Project about which the Government has not fulfilled its promise. They are supplying just 3.5 MT of gas instead of the needed 5.5 MT. Therefore, I

would like to know whether the Government is planning to clear the letter of credit in respect of the Sardar Sarovar Project, which has been pending since long.

Sir, Part (b) of my question is in respect of coal which is being supplied and which is of inferior quality. Is the Government planning to meet the demand of Gujarat to supply coal of proper quality? Thirdly, Sir...

MR. CHAIRMAN: There is plenty of time to ask the second supplementary. Will you please sit down? You are making a long statement.

SHRI GOPALSINH G. SOLANKI: I am asking part (c) of my question, Sir .....*(Interruptions)....Is* the Government planning to supply the coal? Thank you, Sir.

DR. S. VENUGOPALACHARI: Sir, as the hon. Member has rightly said, we have power stations at Gandhinagar, Sikka, Ukai and Wanakbori. As far as supply of coal is concerned, 92 per cent of the coal allotted for 1996-97 has already been sent to the four power stations in Gujarat. In April-November the supply of coal was nine million tonnes as against 8.281 million tonnes. If we look at the figure, it shows the actual receipt as 92 per cent.

About his second question regarding the Sardar Sarovar Project, as the hon. Member knows already, the hon. Prime Minister has convened a meeting of the respective Chief Ministers and discussed the various issues. He also discussed about the height of the dam and they came to some agreement tentatively. Also a meeting of the Chief Ministers was held on 4th July 1996 to discuss these issues. It was decided that the Minister of Water Resources would go to Japan to resolve the outstanding issues with M/s Sumitomo, the Japanese company, but the Ministry of Water Resources has not communicated to us about it.

Thirdly, Sir, he has mentioned that because adequate gas is not supplied, the project, which is under the NTPC, is not coming up. The hon. Prime Minister has assured the hon. Chief Minister of Gujarat that whatever gas would be available in the future, priority would be given to Gujarat. In addition to this, we want to promote a naphtha-based project there, and we are accordinly formulating the proposals.

DR. GOPALSINH G. SOLANKI: Sir, as you know, the progress in the fields of agriculture and industry depends on power supply. In Gujarat, so far as the agriculturists are concerned, there are three categories in regard to giving them power connection for the purpose of irrigation. The first category is 30 metres from the pole; in this case, the connection would be provided immediately. The second and third categories are: 30—150 metres; and 150—200 metres, respectively. A large number of applications are pending. Throughout the State, it would be more than one lakh.

Because of the shortage of power, the agriculturists are not in a position to produce foodgrains. We have been discussing a lot about the high price of wheat and all that. In view of this, I would like to know whether the Government of India is thinking of providing power connection to the agriculturists immediately on demand so that they are in a position to produce foodgrains.

DR. S. VENUGOPALACHARI: Sir, electricity is a Concurrent Subject. It is for the State Governments to ensure power supply to the agriculture pumpsets. As it is, in Gujarat, the power cut is 20 per cent in the case of non-high-tension consumers; and 20 per cent in the case of non-high-tension consumers. In the case of agriculturists, the power supply is 10-12 hours per day. As I said, this subject, i.e. power supply to agriculturists, pertains mainly to the State Governments.

DR. GOPALSINH G. SOLANKI: It does come under the State Government. But I wanted to know whether the Central Government was thinking of making power available to the agriculturists on demand; when they need it.

DR. S. VENUGOPALACHARI: This subject comes under the State Governments.

DR. GOPALRAO VITHALRAO PATEL: Mr. Chairman, Sir, as is well-known, there is shortage of power in our country. At the time of Independence, we were producing 81,00 MW. Although, today, we are producing 1,89,000 MW, there is shortage still. It may be because of the plant load factor, or, the distribution factor. In order to overcome this shortage, I would like to know whether the Central Government is proposing to give power to the deficit States from the National Grid.

This problem is there not only in Gujarat. Maharashtra also is facing this problem of power shortage. Therefore, I would like to know from the Government whether they are proposing to have any electricity audit. I would like to know whether they would supply power at a divided period of eight hours so that there is constant supply, so that they can overcome the difficulty. I would also like to know from the hon. Minister whether they are taking up some new units in Maharashtra.

DR. S. VENUGOPALACHARI: The hon. Member is right, Sir. We have not been able to achieve the target so far as generation is concerned. That is why the hon. Prime Minister recently convened a meeting of Chief Ministers of all the States in order to take a greater initiative in the power sector. In addition to this, he wanted to give more powers to the States, with a view to seeing that the delay in the clearance of projects is reduced. Accordingly, the Ministry of Power is taking up an Action Plan. We are awaiting the approval from the Cabinet. This may come at any time. An Action Plan has been prepared. In this regard, we recently asked the Chief Ministers to give their views so that we could incorporate these views. All this is being done in order to maximise generation.

Another thing is: so far, in all the earlier Plans, we have been concentrating only on the aspect of generation, forgetting the transmission aspect. We are now emphasising on the transmission aspect also. We are emphasising more on it now. The private sector may also be involved. For this purpose, we have to amend the Electricity Supply Act, 1948.

These are the different initiatives. All the Chief Ministers, irrespective of their political affiliations, are very much concerned over this issue.

As far as the question of drawing of power from the National Grid is concerned, we have the Gadgil Formula. As per that, we can finalise everything. According to the Gadgil Formula, 10 per cent more is given to the producing State; 15 per cent to the Central sector; and 75 per cent to other States, depending upon their consumption in the last five years.

We can make allocations as per the Gadgil formula only. If any State has more problems due to drought or floods, the Government may not hesitate to give extra allocation of power after receipt of its request.

SHRI S.B. CHAVAN: Mr. Chairman, unfortunately, we could not get an opportunity to discuss the Mid-Term Review of the Plan, when all these issues could have been discussed. There has been a shortage of about 40 to 45 per cent. The Government could not achieve even 50 per cent of the target aimed at during the Eighth Five-Year Plan. The Ninth Plan is going to begin with a terrible shortage of electricity all over the country.

Now, there are two or three ways in which you can possibly improve the situation. One is immediately to see to it that the plant-load factor is improved. The second is to control the transmission losses and possibly to reduce the same. The third is that special efforts should be made to see that special amounts are allocated to projects which, in fact, are in an advanced stage so that those projects are completed. There should be no mismatch between generation and transmission. Does the Government have anything in mind to be done urgently so that at the time of the commencement of the Ninth Plan itself there will be some ways by which you can possibly have projects which have a short gestation. If those projects are emphasised, the immediate needs of the country can be looked after. What is the thinking of the Government on all these matters?

DR. S. VENUGOPALACHARI: Thanks for the hon. Member's suggestions. With his experience, he has given good suggestions.

There are problems regarding maintenance of the plant load factor, restructuring the Electricity Boards and restructuring the transmission and distribution losses. As the non. Members know, the Power Minister has taken a lot of initiative under the dynamic leadership of Deve Gowdaji. We are monitoring them from time to time. Accordingly, some State Governments have sent proposals for restructuring their Electricity Boards. Eight to nine Electricity Boards have sent their proposals. The World Bank is also providing funds for restructuring the Electricity Boards.

The Asian Development Bank is also doing it. The International Bank is also doing it. In addition, the Power Finance Corporations are providing loans from time to time to make the Electricity Boards very healthy. The non. Prime Minister held a meeting of the CMs recently for that purpose. The State Governments have agreed to form an independent Regulatory Commission. After forming an independent Commission, they will take up fixation of the tariff structure, reduction of the transmission and distribution losses and promotion of short-gestation projects. With the help of the Petroleum Minister, we have asked for proposals from the State Electricity Boards and the State Governments for short-gestation projects based on naphtha and other fuels. Accordingly, we have received a number of proposals from various State Governments, and we will finalise the policy on fuel linkage as early as possible.

SHRIMATI URMILABEN CHIMANBHAI PATEL: Sir, Gujarat is facing an acute problem of power shortage. Gandhar is working below 30 percent level. May I ask of the hon. Minister whether gas required for the full functioning of the Gandhar Power Project will be alloted?

Secondly, the NTPC was planning to have Kavas-2 Thermal Power Project. May I know when the work will actually start?

Thirdly, I want to know this. The eastern sector has surplus power. Gujarat is not joined with the eastern sector directly. Will the Government plan to have a direct connection with the eastern sector for transmission of power?

Lastly, what amount has been allotted to Gujarat to upgrade its T&D system?

Thank you.

DR. S. VENUGOPALACHARI: The installed capacity of the Gandhar project is 48 megawatts. Its gas requirement is 3.3 MCMD while its actual gas allocation is 1.3 MCMD. At very low pressure 1.66 MCMD is the actual supply of gas.

SHRIMATI URMILABEN CHIMANBHAI PATEL: If such is the requirement of the project, when will its full quota be allocated to it?

DR. S. VENUGOPALACHARI: Gas is not available in sufficient quantity. The Minister of Petroleum has expressed his inability to supply the gas in sufficient quantity.

SHRIMATI URMILABEN CHIMANBHAI PATEL: When Kabas project can be given full supply, why can't it be done in the case of Gandhar?

DR. S. VENUGOPALACHARI: Kabas project is also facing the same situation. Their actual requirement is 10.7 KMV against the actual supply of 2.25 KMV. This problem is there not only in Gujarat, but in the entire country, because of coal and gas shortage as well as because of lack of infrastructural facilities.

The hon. Member had earlier also talked about the eastern region. She knows that the eastern region has excess power, but it goes to the central sector through the power grid system. The Power Corporation looks into the schemes for inter-regional exchange of power. We do not allot money to them for this purpose. The Power Grid in a joint venture with the Electricity Boards or with the World Development Bank looks into that aspect. *(Interruptions)*

SHRI S.S. SURJEWALA: Sir, I would like to know whether the Government knows that Coal India has decided to stop the supply of coal to various State Electricity Boards from early next year, because the State Electricity Boards have yet to pay arrears amounting to thousands of crores of rupees.

SHRI SATISH AGARWAL: It is eight thousand crore rupees.

SHRI S.S. SURJEWALA: Rs. 8,000 crores or Rs. 10,000 crores are in arrears. It is also known to everybody that the SEBs are not in a position to repay these arrears. So, what steps does the Union Energy Minister propose to take to avert the crisis? Already there is an acute shortage in most of the States.

DR. S. VENUGOPALACHARI: The Government is aware of it. The Minister of Petroleum or the Minister of Power cannot by themselves take a decision on this. It is a decision to be taken by the Cabinet. It is not only a question of paying the outstanding arrears to Coal India. Fifteen thousand crores of arrears are to be paid by various electricity boards in the country to Coal India, the Railways and the surface transport. We want to deduct this

amount after discussing it with the Chief Ministers. Whatever plan amount we are allocating to the States, we want to give it on instalment basis. In addition to that we have taken a Cabinet decision on cash-and-carry system. We are going to implement it from next year onwards. Whichever State requires power supply, they would get it only after payment to the State Electricity Boards. To make the State Electricity Boards viable I have already told you that we are taking a lot of steps. We are setting right the transmission distribution system and are also restructuring the State Electricity Boards. The Chief Ministers have also agreed to set up an independent regulatory commission. It is a good initiative to bring the State Electricity Boards back to health.

SHRI S.S. SURJEWALA: Sir, my question is very pointed. I would like to know what the Government proposes to defuse the crisis immediately? From January the supplies will be stopped. The Minister is saying so many other things, but he is not coming to this point. I would like to know from the Minister whether the Government of India would intervene to save the State Government from this crisis. I would also like to know from the Minister whether the Ministry has got any plans or not. Do they want to sit idle and watch the situation? What is the Minister's answer to this question?

DR. S. VENUGOPALACHARI: In addition to various other steps, we have also taken steps to make the Electricity Boards viable and healthier.

SHRI S.S. SURJEWALA: They are not viable.

DR. S. VENUGOPALACHARI: They have not stopped supplying coal to the Electricity Boards.

Setting up of a 100% Export-oriented petroleum refinery in Andhra Pradesh

*402. DR. D. VENKATESHWAR RAO: Will the PRIME MINISTER be pleased to state:

(a) whether the Andhra Pradesh Government was issued a letter of intent by the Central Government for setting up of 120,000 BPD (6 million tons) petroleum refinery, as 100% export-oriented unit (EOU) in the State;

(b) whether economic viability of 100% export-oriented unit was not established as 75% of the products have to be sold at internal price and refinery margins world-wide were extremely poor;

(c) if so, whether a request was made to the Ministry to allow the State to convert existing licence to a domestic refinery;

(d) if so, whether this proposal is still pending with Government;

(e)whether the Ministry has considered the proposal; and

(f) if so, by when it is likely to be approved?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI T.R. BAALU): (a) and (b) No LOI has been issued to Government of Andhra Pradesh for setting up 100% EOU refinery.

(c) to (f) Do not arise.

DR. D. VENKATESHWAR RAO: Mr. Chairman, Sir, as per the information available, the present requirement of the petroleum products in the country is 80 million tonnes. In a period often years from now, that is, by 2006, it would be 115 million tonnes. To fulfil this requirement, the Government has issued licences to various companies to produce 100 million tonnes. These companies are in various sectors. The public sector companies have been given licences to produce 27 million tonnes, the joint sector would be producing 47 million tonnes and the private sector would be producing 41 million tonnes. In the coming 5 to 6 years, these plants have to be set up; and the domestic requirement should be fulfilled. So, I would like to know from the Minister, what are the stages of these projects in the different sectors - the public sector, the joint venture sector and the private sector? I would also like to know from the Minister whether the Government of India is going to fulfil the 110 million tonnes requirement in the coming ten years period. Otherwise, what are the plans of the Government? I would request the Minister to kindly enlighten the House on this aspect.

SHRI T.R. BAALU: Mr. Chairman, Sir, the main question pertains to the setting up of a 100 per cent export oriented petroleum refinery in Andhra Pradesh, but the hon. Member has put